

Testimony of

Richard J. Bouvier, CIC

Before the Judiciary Committee

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H.B. 6613 AN ACT CONCERNING INSURANCE REQUIREMENTS UNDER THE COMMON INTEREST OWNERSHIP ACT.

Richard J. Bouvier, CIC is an owner and a senior producing agent of Bouvier Insurance in West Hartford, CT with an industry focus on Common Interest Community Master Insurance needs. Mr. Bouvier has been a member and volunteer for the Community Association Institute, CT Chapter for over 10 years and now serves on the board of directors.

Bouvier Insurance, originally founded in 1959 by Robert F. Bouvier, has been oriented towards providing Common Interest Community Master Insurance for over two decades. We have aligned with the top insurers in the condominium and homeowner association industry and as a result our agency has grown to be among the largest providers of master insurance statewide.

 X Opposes H.B. 6613

There were a number of property insurance-specific changes to the Common Interest Ownership Act that took effect July 1, 2010. As a result, our agency had to change policies and inform the property managers, board members and unit owners alike of these changes so that everyone would understand the revised property insurance responsibilities.

With the proposed **House Bill 6613**, there is a section that would remove the responsibility of the association to provide master property insurance to any of the buildings containing units divided by horizontal boundaries or by vertical boundaries comprised of or are located within common walls between units. A simple example of this would be a side by side duplex condominium building.

I am opposed to this change from the view point of claims settlement. With one master insurance policy providing the property coverage, there would be little discussion, on assignment of coverage responsibility or insurance adjuster debates over 'who pays for what' when a major loss, such as a fire were to occur. Based upon the cost differences and coverage enhancements that we have seen, covering these buildings with multiple units on a master insurance policy and then advising the unit owners to purchase supplemental 'unit owner' policies to protect their individual needs is not cost prohibitive and would streamline the claim settlement process tenfold. The requirement for homeowners to purchase individual insurance stems from a lender's request under most circumstances. In the worst case scenario, we could have a two unit building and one unit owner may own his or her unit outright, therefore have no legal obligation to insure his or her unit beyond individual discretion. If there were a major fire in that scenario, we could have two homes damaged with only one insurance company insuring half the structure. A single source of property insurance is the proper solution.